

# Certifying Applicants for Lifeline/Link Up Benefits Using Electronic Fraud Prevention

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# The Duplicate Elimination and Preference Management System (DEPM) Enables Certification With Electronic Fraud Prevention

- New applicants provide date of birth and last 4 digits of Social Security Number in addition to name and address
- The DEPM uses a third-party vendor (*e.g.*, Lexis Nexis, Acxiom, Experian) to confirm, through public information, that the information provided by the applicant is accurate



# Electronic Fraud Prevention Under the DEPM

- The DEPM automatically dips into third-party database at time of application to confirm that the applicant exists and also resides at the address provided
- If desired, the FCC can decide to dip deeper into the third-party database utilizing a more thorough risk scoring process that will raise “red flags” that signal fraud; *e.g.*, evidence that the applicant resides in an area characterized by high property values, has committed fraud in the past, etc.



# Electronic Fraud Prevention under the DEPM (cont.)

- Proven technology employed extensively by retail and financial industries to verify customers and prevent fraud
  - Currently employed for multiple commercial uses -- banks, credit agencies, insurance companies
- Technology is currently being used by government agencies as well for verification and fraud prevention
  - *e.g.*, IRS; Mississippi Department of Corrections (Experian)
  - *e.g.*, Social Security Administration (Acxiom)

# Paper Certification Creates Opportunities for Waste, Fraud and Abuse

- Applicants can use copy machines to create eligibility documents under a false name or using a false address
- Even with proper training, ETC sales people can be fooled by fake eligibility documents
- Unscrupulous ETC sales agents may overlook phony documents to earn sales commissions



# Certification With Electronic Fraud Prevention Deters Waste, Fraud and Abuse

- Certification with electronic fraud prevention validates the applicant's data against public information
  - Easier to detect and stop applicants engaged in fraud
  - Easier to detect and stop incompetent or unscrupulous ETC agents
- Because dip into third-party database occurs at time of application, certification with electronic fraud prevention minimizes abuse of Lifeline/Link Up program and need for FCC to recover improper payments to ETCs

## Certification With Electronic Fraud Prevention Deters Waste, Fraud and Abuse (cont.)

- If national database is implemented and certification continues without electronic fraud prevention, gains made by interim work to eliminate duplicates will erode
- Certification with electronic fraud prevention is next logical step in progression to use of verification databases

<b><u>Paper Certification</u></b>	<b><u>Certification with Electronic Fraud Prevention</u></b>
<ul style="list-style-type: none"> <li>• Gives applicants opportunities to defraud Lifeline/Link Up program through use of phony eligibility documents</li> </ul>	<ul style="list-style-type: none"> <li>• Detects and stops applicants defrauding Lifeline/Link Up program by validating applicants' data against public information</li> </ul>
<ul style="list-style-type: none"> <li>• Gives ETC sales agents opportunities to defraud Lifeline/Link Up program by accepting applicants' phony eligibility documents</li> </ul>	<ul style="list-style-type: none"> <li>• Detects and stops ETC sales agents defrauding Lifeline/Link Up program by validating applicants' data against public information</li> </ul>
<ul style="list-style-type: none"> <li>• Erodes benefits achieved from interim duplicate elimination</li> </ul>	<ul style="list-style-type: none"> <li>• Preserves benefits achieved from interim duplicate elimination</li> </ul>
<ul style="list-style-type: none"> <li>• Encourages waste, fraud and abuse of Lifeline/Link Up program</li> </ul>	<ul style="list-style-type: none"> <li>• Discourages waste, fraud and abuse of Lifeline/Link Up program</li> </ul>



# Questions?

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